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CAPITAL IMPROVEMENTS PROGRAM

ASHE COUNTY, NC

CAPITAL IMPROVEMENTS PROGRAM

for

ASHE COUNTY

Division of Community Assistance

June, 1978

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INTRODUCTION

The capital improvements program and the capital budget herein presented are intended to provide a mechanism through which the County of Ashe can relate public expenditures to long-range plans for necessary and desirable public improvements in order to make the most effective use of the fiscal resources available to the county.

The first year of the capital budget should be included in the County's annual budget and the entire document should be revised each year thereafter. Thus a continuous process is established through which the county may plan projects and expenditures in advance of need in order to better coordinate necessary facilities with available resources. Furthermore, as the capital budget is revised yearly, another fiscal year is added, thereby retaining a continuous six-year capital budgeting period. Each project is reviewed annually and its priority is re-examined in light of the county's changing needs.

A capital improvements budget needs to be differentiated from an annual budget in that the latter is a guide for all government expenditures undertaken during the fiscal year while the former deals with non-recurring expenses which can be anticipated within the next few years. For purposes of this report, capital projects have been defined as such:

1. New construction or expanded facilities of a permanent nature which cost at least $1,000;

2. New or replacement equipment which cost at least $1,000;

3. Land acquisition;

4. Replacement or remodeling of an existing facility costing $1,000 or more; and

5. The cost of architectural, planning or engineering studies for capital improvements in excess of $1,000.

The compilation of such projects can be most helpful. In the first year, for instance, the capital budget makes definite recommendations which, if accepted, become a part of the county's annual budget for the year. The remaining years of the capital budget are recommendations only until they are integrated into the annual budget for a given year; an exception to this may well occur however if a capital reserve fund is created now to pay for an item at some time in the near future.

NEED FOR CAPITAL BUDGETING AND CAPITAL IMPROVEMENTS PROGRAM

For many years, Ashe County has participated in a planning effort which included a housing element, land development plan, zoning ordinance, subdivision regulations, and community facilities plan. All of these when taken together constitute a comprehensive plan which serves as the official statement of the county planning board and county governing body. As with all such plans, however, until implementation steps have been taken, the recommendations proposed are for naught. A capital budget and capital improvements program is an implementation mechanism that can be used to materialize some of the uncovered needs.

The demand for new and improved public services increases continuously and county governments feel this pressure as keenly as municipal governments. Within Ashe County, this increased demand has arisen largely from two factors: (1) a more erudite public demanding a higher level of services, and (2) a responsive governing body which recognizes the necessity for adequate services if the county is to attract more industry. This demand and commitment translate into substantial amounts of money for land, building materials, construction, etc.

Since such improvements significantly influence the growth and direction the county will experience and take, and since they represent such a sizeable impact upon a budget, it is extremely important to analyze carefully all capital improvements projects in order to determine their importance, when they should be built, and how they can be financed over time in order to minimize fluctuations of the tax rate from year to year. These projects should become part of an integrated program reflecting the county's goals and objectives.

The Benefits of Capital Improvements Programming and Capital Budgeting

The benefits of capital improvements programming and implementation through capital budgeting are numerous and varied. The following are offered as some of the benefits which may be realized from the process:

1. It enables county government and citizens to take a long-range view of their future activities and responsibilities.

2. It calls attention to deficiencies which are found in the county and stimulates action to correct these deficiencies.

3. The procedure protects the county from undue influence of pressure groups promoting projects which are not high priority for the county as a whole.

4. Programming of improvements often makes it possible to achieve economies through advance acquisition of land at lower cost for public facilities.

5. Federal and State grants-in-aid are more easily utilized since plans may be prepared in advance of need and matching money made available.

6. If a bond referendum is necessary, the process enables county government to secure public support and acceptance in advance thus assuring a higher degree of voter approval.

7. It helps to avoid the crises which result from the failure to expand, repair, or add needed facilities and services.

8. It allows for more even scheduling of tax rate changes so that it would not become necessary to raise taxes abruptly within a single year.

9. It enables the county to better utilize its borrowing power through bond programs and to more evenly distribute the costs of providing long-term facilities and services between present and future citizens.

10. The program enables each department of county government to understand the programs of all other departments, thus providing a basis for complementary and joint programs.

11. It makes available to other government agencies, utility companies, and other public and private groups a comprehensive view of the county's intentions so that they can make sound plans in coordination with the county's programs.

Methodology

Prior to the preparation of a capital budget, the capital improvements program must be determined and priorities established. In addition, a financial analysis is made in order to have reliable information on which to base a determination of the present and future ability of the county to pay for the cost of construction and maintenance of all public improvements. This determination is based on three factors: estimates of the present financial resources and expected future trends in revenues and expenditures; an appraisal of the various factors influencing the operation of the program; and the ascertainment of the legal limitation and prior commitments which restrict the freedom of the county in adopting a particular policy.

From these considerations, the county must determine the amount of funds available for the construction of public improvements.

The financial analysis consists of two phases. First, a review of current expenditures, fixed charges, and debt service over the last several years is made and projections derived for the next several years; the goals of the county are considered in this analysis. These projections are then discussed with the appropriate agency heads to determine if any possible modifications should be made (since the projections are dependent upon past trends). The necessary modifications are then made.

The second phase of the analysis is a complete review and projection of the revenue structure. Revenue forecasting is done by extending growth trends while taking into account the economic base, employment trends, population changes, and land development potential. In several instances, the historical data is of such a fluctuating nature

that no trend can be established so conservative estimates are made--these are generally recognized by the even thousand dollar figures depicted.

Finally, the capital improvements projects are arranged in order of need and importance, and the capital improvements budget determines in what manner and at what time they will be funded. These are the activities which are included in this report which will, it is hoped, assist the county in providing for needed public facilities and services on a timely basis.

PUBLIC IMPROVEMENTS PROGRAM

Priority Assignment

One of the most important aspects of a capital improvements program is the assignment of priorities to the various projects to assure that projects are undertaken in proper sequence. The establishment of priorities should be based on needs within specific areas, urgencies within all areas, and time of need. The following factors were used in assessing the order in which projects should be realized.

1. Is the project essential to the protection of life and property?
2. Does it conform with stated goals and objectives for the county?
3. Does it conform to the county's comprehensive plan?
4. Does it relate directly to standards of service needed or desired and to the time of need?
5. What number of people will be served by the project?
6. How does it fit into relative priorities for the county?
7. What costs are associated with it?

Methodology

The capital improvements budget for Ashe County uses projections for FY 1979-84 which are based on county revenues and expenditures from Fy 1973 through budgeted figures for Fy 1978. The revenues and expenditures were identified by fund categories used in the county audits of the same years; projections were made by arithmetic progression.

In this method, a given numerical change in expenditures or revenues from one point in time to another is utilized, based on what has happened in the past. The algebraic relationship for revenues/expenditures (y) and the point in time when revenues and expenditures are recorded (x) is established which makes it possible to estimate revenues/expenditures (y) for any date (x). The basic formula is $y = a + bx$ where:

y = the revenue/expenditure projections

a = the point where the trend line crosses the vertical axis

b = the calculated "best fitting" average change in revenues/expenditures

x = the year for which the projection is made.

As mentioned previously, a good trend line was impossible to establish in a few instances and estimates of future expenditures/revenues were made. Once these figures were developed, a discussion with each department head was held to verify the reasonableness of the projections. In several instances, the dollar sums were changed due to increased personnel, the picking-up of CETA workers, etc. The tables depict these modifications.

Specifically designed forms to collect needed financial estimates of desired capital improvements projects were distributed to each of the department heads. Upon submission of the forms to the county manager, the requests were tentatively prioritized and appear in the text to be more suitably set by the governing body.

Funding Sources

A list of potential funding sources for public improvements is given below, with the appropriate abbreviations as they appear in the report.

GF	General Fund Revenue
LEAA	Law Enforcement Assistance Administration
BOR	Bureau of Outdoor Recreation
GO	General Obligation Bonds
GRS	General Revenue Sharing Funds
ARC	Appalachian Regional Commission Funds
EDA	Economic Development Administration Funds

In addition, by G.S. 153A-300, a county may establish a special taxing district for the following purposes: fire protection, sewage collection and disposal, solid waste collection and disposal, water supply and distribution, recreation, and ambulance and rescue squads. Furthermore, counties may levy taxes on pets. As for the total indebtedness of the county, it may not exceed 8 percent of the appraised value of property subject to taxation.

CAPITAL BUDGET PROJECTIONS

Capital Budget by Department and Source

FY 1979 - 1980

			Source
Sheriff's Department			
1.	Two (2) used highway patrol vehicles	$ 4,400	LEAA; GF
2.	Copying Machine	2,200	GF
	Total	6,600	
Ashe County Board of Education			
1.	Capital Outlay for equipment	61,784	GF
Airport Authority			
1.	Airport hangar construction	36,000	GF
Ashe County Day Care			
1.	Four wheel drive vehicle (projected to be used jointly with other departments)	10,000	GF
2.	Motorized lift for wheelchaired children	2,500	GF
3.	Physical Therapy room	18,000	GF
	Total	30,500	
Health Department			
1.	Paving of parking Lot	15,000	GF
2.	Additional land for more parking space	2,500	GF
	Total	17,500	
Solid Waste			
1.	New dumpsters throughout the county	11,500	GRS
Tax Supervisor			
1.	Tax Mapping (projected cost of $320,000)	100,000	State (50%) GF (50%)
2.	Six fireproof files and related equipment	1,500	GF
	Total	101,500	

		Source
Appalachian District Health Department		
1. Facility expansion	$ 27,000	ARC
Extension Service		
1. Office Space (facility to be shared--cost of $300,000)	10,000	GF
GRAND TOTAL	$302,384	

Capital Budget by Department and Source

FY 1980 - 1981

		Source
Sheriff's Department		
1. Two (2) used highway patrol vehicles	$ 4,400	LEAA; GF
Ashe County Board of Education		
1. Capital outlay for equipment	63,568	GF
Old Ashe County Memorial Hospital		
1. Heating system improvements	10,000	GF
Airport Authority		
1. Completion of hangar construction	39,000	GF
Ashe County Day Care		
1. Wheelchair ramps	4,000	GF
Health Department		
1. Complete acquiring land for more parking space	2,500	GF
Solid Waste		
1. Collection Truck	70,000	GRS ($18,000) ARC ($52,000)
Ashe County Park		
1. Community Building (projected cost of $205,000)	70,000	GF

		Source
Child Development		
1. Playground Equipment	6,035	ARC (80%) GF (20%)
Tax Supervisor		
1. Tax mapping	100,000	State (50%) GF (50%)
Extension Service		
1. Office Space	50,000	EDA
GRAND TOTAL	$419,503	

Capital Budget by Department and Source
FY 1981 - 1982

		Source
Sheriff's Department		
1 Two (2) used highway patrol vehicles	$ 4,400	LEAA
2. One new vehicle	3,100	GF
Total	7,500	
Ashe County Board of Education		
1. Capital outlay for equipment	65,352	GF
Extension Service		
1. Office space	240,000	EDA ($180,000) GF ($ 60,000)
Ashe County Park		
1. Community Building	63,000	GF
Tax Supervisor		
1. Tax mapping	120,000	State (50%) GF (50%)
2. Tax mapping equipment	10,000	GF
Total	130,000	
GRAND TOTAL	$505,852	

Capital Budget by Department and Source
FY 1982 - 1983

		Source
Sheriff's Department		
1. Two (2) used highway patrol vehicles	4,400	LEAA
2. One (1) new vehicle	3,100	GF
Total	$ 7,500	
Ashe County Board of Education		
1. Capital outlay for equipment	67,136	GF
Tax Supervisor		
1. Computerized record keeping system	75,000	GF
Ashe County Park		
1. Community Building	72,000	GF
GRAND TOTAL	$221,636	

Capital Budget by Department and Source
FY 1983 - 1984

		Source
Sheriff's Department		
1. Two (2) used highway patrol vehicles	4,400	LEAA
2. One (1) replacement vehicle	3,100	GF
Total	7,500	
Ashe County Board of Education		
1. Capital outlay for equipment	68,920	GF
Solid Waste		
1. Replacement of worn out and damaged dumpsters	11,500	GRS
GRAND TOTAL	$ 87,920	

Capital Budget by Department and Source
FY 1984 - 1985

		Source
Sheriff's Department		
1. Two (2) used highway patrol vehicle	4,400	LEAA
2. One (1) replacement vehicle	3,100	GF
Total	7,500	
Ashe County Board of Education		
1. Capital outlay for equipment	70,704	GF
GRAND TOTAL	$ 78,204	
TOTAL CAPITAL PROJECTS FY 1979 - 1984	$1,615,499	
Beyond 1985		
1. County Courthouse	$1,000,000	GO

TABLE 1

SUMMATION OF FUNDING SOURCES

	$	%
LEAA	22,000	1.36
GF	1,078,671	66.77
GRS	41,000	2.54
STATE	160,000	9.90
ARC	83,828	5.19
EDA	230,000	14.24
	1,615,499	100.00

TABLE 2

CAPITAL PROJECTS FINANCED THROUGH GENERAL FUND

Fiscal Year	Dollar Amount
1979	311,684
1980	242,475
1981	261,452
1982	217,236
1983	72,020
1984	773,804
	1,078,671

LEAA	22,000	1.36
CF	1,078,071	66.77
CEC	41,000	2.54
STATE	150,000	9.30
ARC	63,818	3.19
EDA	270,000	16.74
	1,615,490	100.00

TABLE 3

REVENUE SOURCES

Fiscal Year	Property Taxes*	Collected by State	GRS	Health and Welfare	Other State & Fed. Aid	Interest on Investment	Other	TOTAL
73	791,732	242,844	320,981	659,279	39,063	15,766	119,485	2,189,150
74	834,228	275,204	326,014	446,453	74,417	29,174	118,835	2,104,326
75	748,838	291,891	344,665	340,228	773,438	25,580	85,148	2,609,789
76	1,106,193	320,808	318,972	403,750	116,197	36,733	540,483	2,843,137
77	1,309,343	376,779	271,085	445,327	231,143	40,731	92,451	2,766,860
78	1,371,455	342,000	298,000	648,496	75,000	13,500	38,400	2,786,851
79	1,487,400	361,831	400,000	497,878	82,187	14,500	45,400	2,874,196
80	1,603,345	381,662	400,000	550,428	89,374	15,500	52,400	3,077,709
81	1,719,290	401,493	405,000	602,978	96,561	16,500	59,400	3,286,222
82	1,835,235	421,324	405,000	655,528	103,748	17,500	66,400	3,489,735
83	1,951,180	441,155	410,000	708,078	110,935	18,500	73,400	3,698,248
84	2,067,125	460,986	410,000	760,628	118,122	19,500	80,400	3,901,761
85	2,183,070	480,817	415,000	813,178	125,309	20,500	87,400	4,110,274

**

*Includes collectibles from prior years.

**Reflects $15,000 decrease in property taxes due to additional tax relief for elderly granted by the General Assembly.

TABLE 3

REVENUE SOURCES

Fiscal Year	Property Taxes	Collected by State	Sales	Health and Welfare	Other State & Fed. Aid	Interest on Investment	Other	TOTAL
73	791,732	242,844	320,981	659,279	39,003	15,704	119,685	2,189,150
74	834,338	275,204	328,014	446,451	74,817	29,174	118,823	2,106,705
75	748,818	291,891	384,865	340,758	173,432	25,580	80,146	2,809,789
76	1,108,193	320,809	414,372	403,750	118,197	36,173	540,467	3,843,137
77	1,309,347	340,779	521,083	445,122	231,143	40,131	82,451	2,769,840
78	1,471,433	382,000	299,050	616,446	75,000	13,300	36,400	2,784,891
79	1,487,403	381,831	400,000	487,618	65,187	34,300	45,100	2,870,144
80	1,719,290	401,431	405,000	602,972	95,341	16,300	29,400	3,268,233
81	1,875,215	421,334	405,000	615,328	103,748	17,300	86,400	3,489,725
82	1,931,180	441,153	410,000	708,078	110,815	18,300	79,400	3,698,126
83	2,067,123	460,986	410,000	760,638	118,122	19,300	80,400	3,901,751
84	2,183,070	480,917	411,000	813,178	123,309	20,300	87,400	4,119,174

* Includes collectibles from prior years.

** Relects $15,000 decrease in property taxes due to additional tax relief for elderly granted by the General Assembly.

TABLE 3A

PAST AND PROJECTED PROPERTY VALUES

FY '75	$253,244,555
'76	265,366,871
'77	272,041,811
'78	281,440,439
'79	290,839,067
'80	300,237,695
'81	309,636,323
'82	319,034,951
'83	328,433,579
'84	337,832,207

TABLE 3B

PROPERTY TAX COMPUTATIONS

			Property Value				Past Collectibles
FY '79	$1,487,400	=	$290,839,067	x 53¢/100	x 94.5%	+	$30,730
80	1,603,345	=	300,237,695	x 56¢/100	x 94.5%	+	14,487
81	1,719,290	=	309,636,323	x 58¢/100	x 94.5%	+	22,173
82	1,835,235	=	319,034,951	x 60¢/100	x 94.5%	+	26,307
83	1,951,180	=	328,433,579	x 62¢/100	x 94.5%	+	26.888
84	2,067,125	=	337,832,207	x 64¢/100	x 94.5%	+	23,916

TABLE 4

OPERATING EXPENSES
(Capital Outlays Excluded)

Year	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85
School Current Exp.Fund	305950	200876	420768	478416	488916	570000	622810	675620	728430	781240	834050	886860	939670
Debt.Svc. Fund	43486	40946	46857	17469	12767	0	0	0	0	0	0	0	0
Soc. Svcs Fund	580560	410827	294097	352663	387574	481526	544002	606478	668954	731430	793906	856382	918856
Revaluation Fund	11638	11766	13035	20654	28422	36000	40872	45744	50616	55488	60360	65232	70104
Gov. Body	9720	10251	8812	7414	8909	17300	18816	20332	21848	23364	24880	26396	26912
Admin,		21823	18410	23360	26181	30528	32704	34880	37056	39232	41408	43584	45760
Soc.Svcs Adm. Fund	150001	152246	188412	210220	236561	304952	335942	366932	397922	428912	459902	490892	521882
Coroner	1995	1485	1260	360	2045	1540	1800	1900	2000	2100	2200	2300	2400
Farm & Home Agts.	17931	17596	25435	23931	19711	23634	24775	25916	27057	28198	29339	30480	31621
Library		12165	18414	23900	33000	33000	42446	47902	53358	58814	64270	69726	75182
Non-Dept.	84430	179323	94953	133211	195130	286316* [1]	307293* [1]	352770* [1]	398247* [1]	443724* [1]	489201* [1]	534678* [1]	580155*

[1] Reflects the reduction of Mt. Jefferson Day Care which is now carried separately.

* Excludes $33,000/year for nine years for a lease - purchase agreement.

TABLE 4 (cont'd)

OPERATING EXPENSES
(Capital Outlays Excluded)

Year	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85
Finance	5424	9143	10405	9926	13300	13860	15547	17234	18921	20608	22295	23982	25669
Fire		14341	13213	13871	43217	30000	33915	37830	41745	45660	49575	53490	57405
Code Enf. & Insp.			859	10459	11678	12864	28766	33168	37570	41972	46374	50776	55178
Public Bldgs.		25507	34069	30693	43923	47904	53503	59102	64701	70300	75899	81498	87097
Law Enf.	66375	85175	99464	102481	135049	141062	155999	170936	185873	200810	215747	230684	245621
Reg. of Deeds	10769	18695	24709	23898	23866	29794	33119	40044	43369	49694	55019	61344	67669
Courts	534	2586	1010	1341	746	4500	2100	2200	2300	2400	2500	2600	2700
Elections	12856	16794	15794	11180	22630	19700	21069	22438	23807	25176	26545	27914	29283
Tax Listing*	17789	26064	40393	38591	36538	41566	51921	56976	62031	67086	72141	77196	82251
Rec.	5859	6475	4935	5590	18458	22528	27862	31296	34730	38164	41590	45032	48466
Vet. Svc. Office	6217	9981	12279	12691	14254	21275	24287	27398	30510	33622	36734	39846	42958
Jail	14532	30704	39034	40661	45603	47886	59558	62166	67806	73446	79086	84726	90366

TABLE 4 (cont'd)

OPERATING EXPENSES
(Capital Outlays Excluded)

Year	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85
Sanitation	26537	34951	41805	55110	75820	74572	91026	102481	113936	125391	136846	148301	159342
Health	38038	42686	64863	77566	83740	97357	109212	121067	132922	144777	156632	168487	180342
Tax Collection	15545	16695	17973	19127	20237	20770	21815	26860	27905	28950	29995	31040	32040
Soc. Svcs.		31377	32716	61143	65032	70000	75000	80000	85000	90000	95000	100000	105000
Mt. Jeff. Child Dev. Center							26000	27500	29000	30500	32000	33500	35000
Civil Prep.	3695	7259	7915	7908	8586	9809	11032	12255	13478	14701	15924	17147	
Communications						54858	57000	60000	63000	66000	69000	72000	

TABLE 5

SUMMATION SHEET

Fiscal Year	Revenues	Operating Expenses	Surplus/ Deficit
1979	$2,874,196	$2,870,226	$ (+) 3,970
1980	3,077,709	3,168,602	(-) 90,893
1981	3,286,222	3,463,469	(-) 177,247
1982	3,489,735	3,761,136	(-) 271,401
1983	3,698,248	4,057,995	(-) 359,747
1984	3,901,761	4,355,770	(-) 454,009
1985	4,110,274	4,653,535	(-) 543,261

TABLE 6

REVENUE MINUS
(Operating Expenses + Capital Projects)

Fiscal Year	Revenue		Operating + Capital		Deficit
1979	$2,874,196	-	$(2,870,226 + 302,384)	=	-$298,414
1980	3,077,709	-	(3,168,602 + 419,503)	=	- 510,396
1981	3,286,222	-	(3,463,469 + 505,852)	=	- 682,099
1982	3,489,735	-	(3,761,136 + 221,636)	=	- 493,037
1983	3,698,248	-	(4,057,995 + 87,920)	=	- 447,667
1984	3,901,761	-	(4,355,770 + 78,204)	=	- 532,213

TABLE 7

TAX RATE NEEDED TO ELIMINATE DEFICIT

FY '79	$1,487,400	Anticipated property taxes (APT)
	+ 298,414	Projected Deficit (PD)
	$1,785,814	Needed property taxes (NPT)

$290,839,067 x .64¢ x .945 = $1,758,995 + $26,819

(NPT = Property Value x tax Rate x % Collected + Past Collection)

FY '80	$1,603,345	(APT)
	+ 510,396	(PD)
	$2,113,741	(NPT)

$300,237,695 x 73.5¢ x .945 = $2,085,376 + $28,365

FY '81	$1,719,290	(APT)
	+ 682,099	(PD)
	$2,401,389	(NPT)

$309,636,323 x 81¢ x .945 = $2,370,111 + $31,278

FY '82	$1,835,235	(APT)
	+ 493,037	(PD)
	$2,328,272	(NPT)

$319,034,951 x 76.5¢ x .945 = $2,306,384 + $21,888

FY '83	$1,951,180	(APT)
	+ 447,667	(PD)
	$2,398,847	(NPT)

$328,433,579 x 76¢ x .945 = $2,374,329 + $24,518

F& '84	$2,067,125	(APT)
	+ 532,213	(PD)
	$2,599,338	

$337,832,207 x 80.5¢ x .945 = $2,569,974 + $29,364

It will be noticed in Table 7 that the projected deficits depicted in Table 6 are remedied solely by an increase in the property taxes. Thus, Table 5 depicts an extreme situation with the county relying entirely upon local sources.

The reader will also notice that, in Table 7, FY '82 has a lower tax rate than the preceding year; FY '83 repeats the same low tax rate. By FY '84, it has climbed somewhat but it is still slightly under that of FY '81's rate. Some consideration should perhaps be given to maintaining the FY '82 and '83 rate at FY '81's figure so as to build up a surplus and furthermore avoid the politically sensitive topic of possibly having to increase taxes from FY '83 (tax rate of 76¢) to FY '84 (tax rate of 80.5¢).

By maintaining an 81¢ rate, surplus in excess of $113,781 and $115,148 for FY '82 and '83, respectively, would accrue. One of the benefits of a capital improvements program is an opportunity to foresee possible financial benefits; this impending opportunity should be kept in mind as time progresses.

Reworking the two preceding tables to reflect solely the impact upon the budget of those capital projects funded through the General Fund produces the following:

TABLE 8

REVENUE MINUS (OPERATING EXPENSES PLUS GF CAPITAL PROJECTS)

Fiscal Year	Revenue		Operating + GF Capital		Deficit
1979	$2,874,196	-	$(2,870,226 + 211,684)	= -	$207,714
1980	3,077,709	-	(3,168,602 + 242,475)	= -	333,368
1981	3,286,222	-	(3,463,469 + 261,452)	= -	438,699)
1982	3,489,735	-	(3,761,136 + 217,236)	= -	488,637
1983	3,698,248	-	(4,057,995 + 72,020)	= -	431,767
1984	3,901,761	-	(4,355,770 + 73,804)	= -	527,813

TABLE 9

TAX RATE NEEDED TO ELIMINATE DEFICIT

FY '79

	$1,487,400	(APT)
	207,714	(PD)
	$1,695,114	(NPT)

$290,839,067 x 60.5¢ x .945 = $1,662,800 + $32,314

FY'80

	$1,603,345	(APT)
	333,368	(PD)
	$1,936,713	(NPT)

$300,237,695 x 67¢ x .945 = $1,900,955 + $35,758

FY '81

	$1,719,290	(APT)
	438,699	(PD)
	$2,157,989	(NPT)

$309,636,323 x 73¢ x .945 = $2,136,026 + $21,963

FY '82

	$1,835,235	(APT)
	488,637	(PD)
	$2,323,872	(NPT)

$319,034,951 x 76¢ x .945 = $2,291,309 + $32,563

FY '83

	$1,951,180	(APT)
	431,767	(PD)
	$2,382,947	(NPT)

$328,433,579 x 76¢ x .945 = $2,358,810 + $24,137

FY '84

$	$2,067,125	(APT)
	527,813	(PD)
	$2,594,938	(NPT)

$337,832,207 x 80.25¢ x .945 = $2,561,993 + $32,945

Notice that in Table 9, the projected deficit (PD) is composed entirely of monies from the General Fund that would conceivably be used for capital projects. This table thus depicts perhaps the most optimistic view. It would seem fairly safe to say that the tax rate needed lies somewhere between the values computed in Tables 7 and 9.

TABLE 10

COMPARISON BETWEEN POSSIBLE TAX RATES

	Table 7	Table 9
FY '79	64¢	60.5¢
FY '80	73.5¢	67¢
FY '81	81¢	73¢
FY '82	76.5¢	76¢
FY '83	76.5¢	76¢
FY '84	80.5¢	80.25¢

A possible bond issue for a new county courthouse after 1985 should present no major problem. With no outstanding long term debt, adding approximately $1,000,000 would increase the outgo of funds by approximately $100,000 per year for about ten years and then it would start falling off (bonds issued for twenty to twenty-five years). This would convert to slightly under 4¢/$100 by the year 1985.